## UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

	Public
In the Matter of	)
UNION OIL COMPANY OF CALIFORNIA,	) Docket No. 9305
a corporation.	<i>)</i> ) )

# NON-PARTY CHEVRON'S THIRD MOTION FOR IN CAMERA TREATMENT OF HEARING EXHIBITS DESIGNATED BY COMPLAINT COUNSEL

Non-party Chevron U.S.A., Inc. ("Chevron") moves for an order directing *in camera* treatment of two documents designated by Complaint Counsel in a letter dated October 15, 2004, for possible introduction at the hearing that began on October 19, 2004. Public disclosure of either of these documents, or the information contained in them, is likely to cause direct, serious harm to Chevron's competitive position. Therefore, pursuant to 16 C.F.R. § 3.45(g), Chevron respectfully moves for *in camera* treatment of its confidential business information identified in the Declaration in support of this Motion, and attached thereto as Exhibits A and B.

# CHEVRON'S CONFIDENTIAL INFORMATION DESERVES IN CAMERA TREATMENT UNDER THE FEDERAL TRADE COMMISSION'S RULES OF PRACTICE

Chevron is not a party to this proceeding. The information in Exhibits A and B is fundamental to Chevron's current gasoline refining operations, particularly its refineries in Richmond and El Segundo, California. Chevron has guarded the confidentiality of these materials carefully. Public disclosure of these documents would result in serious competitive injury to Chevron, while adding very little incremental value to the public's understanding of the issues in this proceeding. Accordingly, Exhibits A and B merit *in camera* treatment. *See In re Dura Lube Corp.*, 1999 FTC LEXIS 255 (Dec. 23, 1999).

#### A. Chevron Has Preserved The Confidentiality Of Its Information

Chevron has taken meaningful steps to protect the confidential nature of each document for which it seeks protection. In particular, Chevron has designated these materials "Restricted Confidential – Attorney Eyes Only" under the Protective Order in this matter.

# B. Disclosure Of The Information In Exhibits A and B Could Result In Serious Competitive Injury To Chevron

The information for which Chevron seeks *in camera* treatment has direct and tangible impact on its day-to-day refining activities and its future competitive position. As explained in the attached Declaration, Exhibits A and B contain, respectively, 2003 and 2004 batch data for CARB summertime gasoline. Chevron designated these documents "Restricted Confidential – Attorney Eyes Only" because they specify the summertime gasoline properties, characteristics and volumes for Chevron's California refineries. Public access to Chevron's batch data would expose the refinery to asymmetrical business relations with its customers, suppliers and competitors – all of whom could use this information to harm Chevron in the marketplace.

### C. The Public Interest In Disclosure Of Exhibits A-B Is Outweighed By The Likelihood Of Serious Competitive Harm To Chevron

Chevron deserves "special solicitude" as a non-party requesting *in camera* treatment for its confidential business information. *See Kaiser Aluminum & Chem. Corp.*, 103 F.T.C. 500 (order directing *in camera* treatment for sales statistics over five years old). Reasonable extensions of *in camera* treatment encourage non-parties to cooperate with future discovery requests in adjudicative proceedings. *Id.* Chevron has cooperated with the discovery demands in this case, and has taken steps to facilitate access of the parties to highly sensitive non-party documents. Conversely, publicly revealing Exhibits A and B will not promote the resolution of this matter. Nor will these materials uniquely enhance public understanding of these

proceedings. The balance of interests clearly favors *in camera* protection for Exhibits A and B. *See In re Bristol-Myers*, 90 F.T.C. 455, 456 (1977) (describing six-factor test for determining secrecy and materiality). Significantly, in an order issued October 7, 2004, in this proceeding, documents containing Chevron batch data from earlier time periods were afforded *in camera* protection. *See* Order on Non-Parties' Motions for *In Camera* Treatment of Documents Listed on Parties' Exhibit Lists, p. 6, (granting *in camera* treatment to, among other documents, Exhibits CX2167 and CX1782). The more recent batch data reflected in Exhibits A and B certainly should similarly be protected from disclosure.

#### D. Protection For Exhibits A and B Should Extend For Five Years

The value to Chevron's business of the information contained in Exhibits A and B warrants lasting protection to prevent Chevron's competitors from learning exactly what it produces at any given time, as well as year-to-year. Accordingly, Chevron requests that, as with its other information granted *in camera* treatment in the October 7 order, Exhibits A and B retain *in camera* status for five years.

#### **CONCLUSION**

Exhibits A and B satisfy the standard for *in camera* protection under the Commission's Rules of Practice and relevant FTC rulings. Accordingly, *in camera* protection should be extended to this confidential information of Chevron. We have conferred with Complaint

Counsel and counsel for Unocal about this Motion and the specific information for which *in* camera protection is sought, and both Parties have indicated that they do not oppose this Motion.

DATED: October 29, 2004

Respectfully submitted,

Ocnald B. Craven

AKIN GUMP STRAUSS HAUER &

FELD, LLP

1333 New Hampshire Ave., NW

Washington, DC 20036

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### [PROPOSED] ORDER

Upon consideration of Non-Party Chevron's Unopposed Third Motion For *In Camera*Treatment Of Hearing Exhibits Designated By Complaint Counsel, **IT IS HEREBY ORDERED** that the following documents are to be provided *in camera* treatment:

Exhibit	Production Bates Numbers
A	CHUNOBD-0000022 to 32
В	CHUNOBD-0000035 to 40

The Honorable D. Michael Chappell Administrative Law Judge

#### **CERTIFICATE OF SERVICE**

I certify that on October 29, 2004, I caused an original and two copies of Non-Party Chevron's Unopposed Third Motion For In Camera Treatment Of Hearing Exhibits Designated By Complaint Counsel to be filed by hand and one electronic copy of that motion to be filed by electronic mail with:

Donald S. Clark Secretary Federal Trade Commission 600 Pennsylvania Avenue, NW, Rm. H-159 Washington, DC 20580

I also certify that on October 29, 2004, I caused two copies of the foregoing motion to be served by U.S. mail upon:

The Honorable D. Michael Chappell Administrative Law Judge Federal Trade Commission 600 Pennsylvania Avenue, NW Washington, DC 20580

I also certify that on October 29, 2004, I caused one copy of the foregoing motion to be served by hand delivery upon each person listed below:

J. Robert Robertson, Esq.
Senior Litigation Counsel
Bureau of Competition
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Chong S. Park, Esq.
Bureau of Competition
Federal Trade Commission
601 New Jersey Avenue, NW, Rm. NJ-6213
Washington, DC 20001

I also certify that on October 29, 2004, I also caused one copy of the foregoing motion to be served by hand delivery upon:

David W. Beehler, Esq. Robins, Kaplan, Miller & Ciresi, LLP

with an additional copy by overnight mail to:

Diane L. Simerson Robins, Kaplan, Miller & Ciresi, LLP 2800 LaSalle Plaza 800 LaSalle Avenue Minneapolis, MN 55402-2015

C. Fairley Spillman

AKIN GUMP STRAUSS HAUER

& FELD LLP

1333 New Hampshire Avenue NW Washington, DC 20036

### **COPY CERTIFICATION**

I certify that the electronic version of NON-PARTY CHEVRON'S THIRD MOTION FOR *IN CAMERA* TREATMENT OF HEARING EXHIBITS DESIGNATED BY COMPLAINT COUNSEL filed by electronic mail with the Secretary of the Commission is a true and accurate copy of the paper original and that a paper copy with original signature has been filed with the Secretary of the Commission on this day.

Dated October 29, 2004

By:

C. Fairley Spillman

AKIN GUMP STRAUSS HAUER

& FELD LLP

1333 New Hampshire Avenue NW

Washington, DC 20036

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	)	

# DECLARATION OF WILLIAM ENGIBOUS IN SUPPORT OF CHEVRON'S THIRD MOTION FOR *IN CAMERA* TREATMENT

I, William Engibous, declare as follows:

- 1. I am Manager, Supply Optimization Group, U.S. West Coast at Chevron Texaco Products Company ("Chevron"). My responsibilities in that capacity include planning matters for Chevron's El Segundo and Richmond, California refineries, including knowledge of gasoline blending operations at the refineries.
  - 2. Chevron is not a party to the captioned matter.
- 3. The documents for which Chevron seeks *in camera* treatment, attached as Exhibits A and B hereto, are identified as:

Exhibit	Production Bates Numbers
A	CHUNOBD-0000022 to 32
В	CHUNOBD-0000033 to 40

3. I have reviewed the documents (Exhibits A and B) for which Chevron seeks *in camera* treatment. By virtue of my position as described above, I am familiar with the type of information contained in those documents. I am also generally familiar with the confidentiality protection afforded this type of information by Chevron. Based upon my review of these documents, my knowledge of Chevron's business, and my familiarity with the confidentiality protection that Chevron affords information of this type, it is my belief that public disclosure of these documents or the information contained in them would cause serious competitive injury to Chevron.

#### **Exhibits**

- 4. Exhibits A (CHUNOBD-0000022 to 32) and B (CHUNOBD-0000033-40) are spreadsheets containing detailed volumetric, compositional and property information for individual batches of CARB summertime gasoline produced in 2003 (Exhibit A) and 2004 (Exhibit B) at Chevron's El Segundo and Richmond Refineries. I understand that these "batch data" documents were designated "Restricted Confidential Attorney Eyes Only" pursuant to the Protective Order in this matter before being produced to Unocal and the FTC. They contain highly confidential and commercially sensitive information about specific production volumes, the particular numerical properties and characteristics of those volumes, and the methods by which those properties and characteristics are measured at the Richmond and El Segundo Refineries.
- 5. Disclosure of Exhibit A or B could cause real and serious damage to the competitive position of Chevron. Persons with access to the information contained in these documents would have the ability to determine certain production capacities, blending formulations and blendstock requirements of Chevron's California refineries, and could use this information to disadvantage Chevron in any number of ways, such as when negotiating exchange agreements or competing for customers. Moreover, this knowledge could permit suppliers or customers of the Chevron's California refineries to advantageously adjust their business strategies for CARB summertime gasoline and related products to the serious economic disadvantage of Chevron.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 25<sup>th</sup> day of October, 2004, in Houston, Texas.

William R. Engibous

# TABS A – B REDACTED